

SENATE BILL 328

By McNally

AN ACT to amend Tennessee Code Annotated, Section 8-50-1203, relative to Other Post-Employment Benefit Investment Trust Act of 2006.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-50-1203, is amended by deleting subdivisions (2), (3), and (4) thereof and by substituting instead the following:

(2) The investment committee of the political subdivision must adopt, in writing, an investment policy authorizing how assets in the trust may be invested. Such policy shall not authorize assets in the trust to be invested in any instrument, obligation, security, or property that would not constitute a legal investment for assets of Tennessee domestic life insurance companies;

(3) The trust must conform to all applicable laws, rules and regulations of the Internal Revenue Service, if any. Notwithstanding any provision of subdivision (4) of this section to the contrary, it shall be the sole responsibility of the political subdivision to ensure that the trust conforms to any such laws, rules and regulations of the Internal Revenue Service; and

(4) The trust document must be submitted to the state funding board for approval.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.